



## Senate

General Assembly

January Session, 2003

**File No. 666**

Senate Bill No. 48

*Senate, May 13, 2003*

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

### **AN ACT PROVIDING BENEFITS FOR VETERANS OF OPERATION ENDURING FREEDOM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 27-103 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2003*):

4 (a) As used in the general statutes, except chapter 504, and except as  
5 otherwise provided: (1) "Armed forces" means the United States Army,  
6 Navy, Marine Corps, Coast Guard and Air Force; (2) "veteran" means  
7 any person honorably discharged from, or released under honorable  
8 conditions from active service in, the armed forces; (3) "service in time  
9 of war" means service of ninety or more days except, if the war,  
10 campaign or other operation lasted less than ninety days, "service in  
11 time of war" means service for the entire duration of the war,  
12 campaign or other operation, unless separated from service earlier  
13 because of a service-connected disability rated by the Veterans'

14 Administration, during the Spanish-American War, April 21, 1898, to  
15 August 13, 1898; the Philippine insurrection, August 13, 1898, to July 4,  
16 1902, but as to engagements in the Moro Province, to July 15, 1903; the  
17 Boxer Rebellion, June 20, 1900, to May 12, 1901; the Cuban pacification,  
18 September 12, 1906, to April 1, 1909; the Nicaraguan campaign, August  
19 28, 1912, to November 2, 1913; the Haitian campaign, July 9, 1915, to  
20 December 6, 1915; the punitive expedition into Mexico, March 10, 1916,  
21 to April 6, 1917; World War I, April 6, 1917, to November 11, 1918, but  
22 as to service in Russia, to April 1, 1920; World War II, December 7,  
23 1941, to December 31, 1946; and the Korean hostilities, June 27, 1950, to  
24 January 31, 1955; and shall include service during the Lebanon conflict,  
25 July 1, 1958, to November 1, 1958; the Berlin Airlift, August 14, 1961, to  
26 June 1, 1962; and the Vietnam era, February 28, 1961, to July 1, 1975;  
27 and shall include service while engaged in combat or a combat support  
28 role during the peace-keeping mission in Lebanon, September 29, 1982,  
29 to March 30, 1984; the invasion of Grenada, October 25, 1983, to  
30 December 15, 1983; Operation Earnest Will, involving the escort of  
31 Kuwaiti oil tankers flying the United States flag in the Persian Gulf,  
32 February 1, 1987, to July 23, 1987; and the invasion of Panama,  
33 December 20, 1989, to January 31, 1990; and shall include service  
34 during Operation Desert Shield and Operation Desert Storm, August 2,  
35 1990, to June 30, 1994; and shall include active duty for service in the  
36 demilitarized zone in South Korea after February 1, 1955, in Somalia  
37 after December 2, 1992, and in Bosnia after December 20, 1995; and  
38 shall include service during the period commencing September 11,  
39 2001, and lasting for the duration of Operation Enduring Freedom  
40 until the cessation of hostilities as determined by the President of the  
41 United States or until a date established by an act of the General  
42 Assembly, and shall include service during such periods with the  
43 armed forces of any government associated with the United States.

This act shall take effect as follows:	
Section 1	October 1, 2003

**APP**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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### ***OFA Fiscal Note***

***State Impact:*** See Explanation Below

***Municipal Impact:*** See Explanation Below

### ***Explanation***

The bill expands the statutory definition of “service in time of war”. Although the number of veterans that would become eligible under the bill is unknown, the following information is provided to reflect the potential expanded population:

- There have been 2,000 Connecticut reservists activated since 9/11/01.
- Presently there are 5,000 National Guard members.
- As of the 2000 Census there were 8,200 CT residents employed in the Armed Services.

The following programs are available to wartime veterans: 1) state subsidized local property tax exemptions; 2) credited service in state-sponsored pension systems; 3) educational tuition waivers; 4) award payments to veterans from the Soldiers’ Sailors and Marines Fund; 5) Veterans’ Home and Hospital services; and 6) motor vehicle exemptions.

### ***Property Tax Exemption***

The bill would result in an increased number of veterans eligible for a minimum property tax exemption of \$1,500. The state reimburses municipalities for the tax loss associated with the additional exemption (\$500 of the \$1,500). This grant program administered by the Office of

Policy and Management (OPM) has an FY 03 budget of \$8.9 million. The average benefit resulting from additional exemptions is approximately \$35 per veteran. The number of veterans impacted by the bill is unknown and therefore any increased costs to the Property Tax Relief for Veterans account within OPM is unknown. These exemptions result in a minimal grand list reduction to municipalities.

### *Credited Service in State-Sponsored Pension System*

Individuals covered under the bill who are also members of state-sponsored retirement systems (State Employees Retirement System – SERS and Teachers’ Retirement System) are eligible to purchase credited service within those systems. The payments required do not cover the actuarial value of the increase in benefits. The increase in the unfunded liability of any of the state-sponsored systems from a purchase is a function of the member’s age, service, and final average salary. While the fiscal impact cannot be determined until the time of purchase, it is not expected to be significant. It should be noted that the bill does not provide a window for purchase for Tier I members of SERS.

The bill also makes more people eligible for credited service in the Municipal Employees Retirement Fund (MERF) but does not provide a window for this purchase. Funding for MERF comes from participating municipalities and their employees.

### *Higher Education Tuition Waiver*

The bill, which would result in a revenue loss to the state’s public colleges and universities, extends tuition waiver rights. State statutes currently provide tuition benefits to certain veterans, national guardsmen and senior citizens at the state’s constituent units of public higher education. In FY 2003, approximately 6,600 individuals will receive tuition waivers. The dollar value of these waivers is \$4.8 million. In addition, the statutes provide for reimbursement of the cost of waivers that exceed tuition revenue - 2.5% for UCONN and CSU and 5% for the community colleges. Funds have never been

appropriated for this purpose and as such the constituent units absorb these costs within their respective budgets.

	UConn	CSU	CTC	Total
Est. Tuition Revenue	\$100,660,696	\$ 51,311,482	\$ 41,714,820	\$193,686,998
Threshold %	2.5%	2.5%	5.0%	-
Waiver Threshold	\$2,516,517	\$1,282,787	\$2,085,741	\$5,885,045
Est. Statutory Waivers Value	\$2,277,935	\$1,242,850	\$2,027,088	\$5,547,873
Amount in Excess of Threshold	0	0	0	0

Since the number of individuals who may take advantage of these waivers is unknown, the additional amount that the units would have to absorb is indeterminate.

#### *Soldiers Sailors and Marines' Fund*

The Soldiers Sailors and Marines Fund (SSMF), through interest earned on the trust fund, provides award payments to eligible veterans for emergency needs such as clothing, food medical and surgical aid, and general care and relief. The value of the SSMF as of June 30, 2002 was \$56.4 million (the interest earned by the fund for the same fiscal year was \$3.2 million). It should be noted that the interest earned for FY 03 is anticipated to be \$336,000 less than FY 02. In FY 02 there were 2,684 applications received for request for aid (4% of which represent Persian Gulf veterans). The needs of the current population of eligible veterans continue to change and duration of support provided can vary depending on available funding.

#### *Veterans' Home and Hospital*

This bill expands the number of veterans that would be eligible for admission to the Veterans Home and Hospital (a chronic disease hospital). As of January 2003 funding was available for 175 beds and 161 were occupied (cost per patient of \$501/day). The department also supports residential and rehabilitative services (domicile) on campus

for eligible veterans. As of January 2003 there were 289 veterans' residing at the domicile (a cost of \$88/day). The Federal Department of Veterans Affairs partially reimburses the state on a per diem basis for the care of eligible veterans at the Veterans Home & Hospital. This per diem is deposited into the General Fund (\$53.17 a day per veteran at the hospital and \$24.40 a day per veteran at the domicile). Increasing the number of eligible veterans may create a waiting list if the funding level was not increased. Although any short-term impact is anticipated to be minimal, the long-term impact is uncertain.

The Department of Veterans Affairs receives funding from the Soldiers Sailors and Marines Fund for headstone and burial costs of eligible veterans (FY 03 level of \$4,500 for burial expenses and \$243,000 for the installation of headstones). Also impacted would be the number of veterans eligible for burial in the State Veterans' Cemetery. Currently, the Middletown Veterans' Cemetery has over 12,900 gravesites available. The department may incur administrative costs as the number of eligible veterans increases, however any impact over the next few fiscal years is anticipated to be minimal.

### **Motor Vehicle Exemptions**

Currently, disabled wartime veterans with certain service-connected disabilities, former prisoners of war, and recipients of the Congressional Medal of Honor are exempt from the \$70 motor vehicle registration fee. In FY 02, 326 customers qualified for this exemption for a revenue loss to the Transportation Fund of \$24,695. Moreover, the Department of Motor Vehicles also collects an additional \$4.25, which is deposited in the Clean Air Fund. As a result, the revenue loss to this fund in FY 02 totaled \$1,386. Therefore, passage of this bill would have an indeterminate revenue loss to the Transportation Fund but is expected to be minimal.

Under current law, disabled wartime veterans with certain VA-rated disabilities qualify for special veteran's license plates. The plate exempts the veteran from overtime parking fines. Thus, passage of the bill would have a revenue loss to municipalities. However, the extent

of such revenue loss is at present indeterminate but is expected to be minimal.



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**OFA Bill Analysis**

SB 48

**AN ACT PROVIDING BENEFITS FOR VETERANS OF OPERATION ENDURING FREEDOM.****SUMMARY:**

The bill expands the definition of "service in time of war" to include service in response to the attack of September 11, 2001 and service during Operation Enduring Freedom until the cessation of related hostilities as determined by the President of the United States or a date established by the General Assembly.

EFFECTIVE DATE: October 1, 2003

**ELIGIBILITY**

Veterans' who serve in time of war (some spouses and children) are eligible for various state supported benefits. Currently, time of war includes World War I and II, the Korean War, the Vietnam War, and Operation Desert Shield and Desert Storm. Veterans' must have at least ninety days active duty service (unless there was a service connected disability) to be eligible for benefits.

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable Report

Yea 49      Nay 0